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FISCAL IMPACT STATEMENT

LS 6847

BILL NUMBER: HB 1002

NOTE PREPARED: Jan 30, 2014

BILL AMENDED: Jan 30, 2014

SUBJECT: Major Moves 2020 Trust Fund.

FIRST AUTHOR: Rep. Brown T

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill authorizes the Budget Agency to transfer before July 1, 2015, any balance in the Major Moves 2020 Trust Fund to the State Highway Fund. It also establishes the Local Infrastructure Grant Fund to provide grants to local units of government for certain infrastructure projects. The bill transfers \$25,000,000 of the transfer amount to the Local Infrastructure Grant Fund.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) The bill allows the State Budget Agency to transfer any balance in the Major Moves 2020 Trust Fund to the State Highway Fund, which is overseen by the Indiana Department of Transportation (INDOT).

This funding may be used for any purpose of the State Highway Fund, which includes: (1) the operation of INDOT; and (2) construction, reconstruction, operation, maintenance, and control of the state highways and tollways that are the responsibility of INDOT.

The bill also creates the Local Infrastructure Grant Fund, which is funded through a one-time transfer of \$25 M from the State Highway Fund (after the Major Moves 2020 Trust Fund transfer to the State Highway Fund), earned interest (through investment by the Treasurer of State), and any other monies deposited in or transferred from other sources. The Local Infrastructure Grant Fund is to be administered by INDOT, and INDOT may adopt guidelines to administer the fund and award grants to local units with eligible projects. The bill's requirements are within INDOT's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Information: The Major Moves 2020 Trust Fund received its first transfer from the state General Fund in the amount of \$200 M on July 1, 2013. The second \$200 M transfer from the state General Fund is scheduled to take place on July 1, 2014. Funds not currently needed to meet obligations of the Major Moves 2020 Trust Fund are invested by the Treasurer of the State.

Currently, the Major Moves 2020 Trust Fund is to be used exclusively for major highway expansion projects that enhance the ability of goods to be transported in and through Indiana.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Local Infrastructure Grant Fund:* A local unit may apply to INDOT for a grant from the Local Infrastructure Grant Fund for an eligible project, which includes those projects that repair or increase the capacity of local roads and bridges. Local units must provide at least 10% of the total project cost of eligible projects to be approved for grants from the fund.

State Agencies Affected: Indiana Department of Transportation; State Budget Agency; Treasurer of State.

Local Agencies Affected: Counties; cities and towns.

Information Sources:

Fiscal Analyst: Stephanie Wells, 232-9866.